



February 2023

Hi, my name is Sean Foley and I am a Math Teacher at JHS and BFT member. I am a BFT rep on the BPS health insurance committee. My purpose in putting this newsletter together is to help BFT members understand and navigate their health insurance benefits.

Information about our Insurance and Benefits can be found on the [BPS website](#). Any questions about coverage, etc. would need to be directed to Preferred One, while any questions about enrollment, etc. would need to be directed to HR.

Health insurance is one of the main benefits we receive via our contract. We wanted to go over some information about how the plan works to make sure everyone understands it and is able to make the best use of it.

The district is self-insured

- This means that the district controls all the money paid (by employees and the district) in premiums. In the 2021-2022 plan year, the district collected about \$21.5 million in premiums.
- Some of these premiums come from employee payroll deductions and some of this money is paid by the district on behalf of employees as a negotiated benefit. The chart below shows the total monthly premium and district contribution for each type of coverage for the 2022-2023 school year.
- The vast majority of this money is then used to pay claims on behalf of employees.
- The rest of the money is used to pay for administrative costs and reinsurance, and to build up reserves. The reserves are then used in years (such as last year) when we have more expenditures than we collected in premiums.
- The district has an Insurance Committee with members from district administration and all bargaining units. The Insurance Committee meets regularly to review data related to our health insurance. The Committee makes recommendations to the School Board in terms of premium rate increases, which bid for a plan administrator to accept, etc. The School Board makes the final decisions.

One of the main advantages of being self-insured is that when we have good years where costs are below premiums brought in, we retain the money for later use. Prior to being self-insured, the extra

money was essentially extra profit for the insurance carrier. Being self-insured also means we have better access to data on how much we are actually spending on health care.

	Monthly Premium (0% increase)	FULL-TIME			PART-TIME		
		District Contribution	Employee Share	Per 24 paychecks	District Contribution	Employee Share	Per 24 paychecks
Single	\$861.00	\$861.00	\$0.00	\$0.00	\$603.00	\$258.00	\$129.00
Employee Plus One	\$1,810.00	\$1,267.00	\$543.00	\$271.50	\$887.00	\$923.00	\$461.50
Family	\$1,980.00	\$1,386.00	\$594.00	\$297.00	\$970.00	\$1,010.00	\$505.00

We have a “high deductible” health insurance plan

- All employees who utilize the district health insurance are on the same plan. This system makes it more equitable and easier to administer the plan as compared to having several different plans.
- The deductible is currently set at \$1,400 for single coverage and \$2,800 for employee+1 and family coverage. The deductible runs from July 1st to June 30th.
- All services that are considered preventative are always provided at no cost to the member.
- For non-preventative services, the member covers all the costs until they reach the deductible amount. After the deductible is reached, as long as you stay in the network the plan covers all costs until the plan year ends and the deductible restarts on July 1.

PreferredOne is the insurance company the district pays to administer our health plan

- Although the district is self-insured, we contract with an insurance company to administer the plan for us.
- PreferredOne has been that company for more than 10 years.
- The district pays PreferredOne a cost each year that is determined via a competitive bidding process. The district chooses which of Preferred One’s coverage networks to use for our plan. Preferred One then negotiates with providers (both in and out of network) regarding costs to be paid by members for various services.
- Preferred One deals with all the administration of the plan on behalf of the district, but the money used to pay all claims (after the member’s deductible has been met) actually comes directly from the premiums paid by the district and members.
- **Preferred One recently became a part of UnitedHealthcare. This means that we will have a new plan administrator beginning on July 1, 2023. The new provider will be determined by a competitive bidding process this spring.**